NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE *CONSUMER PROTECTION ACT*

- and -

IN THE MATTER OF A HEARING respecting certain aspects of the *Consumer Protection Act* relating to payday loans

BEFORE: Peter W. Gurnham, Q.C., Chair
Roland A. Deveau, Q.C., Vice-Chair
Wayne D. Cochrane, Q.C., Member

ORDER

WHEREAS s. 18T of the *Consumer Protection Act*, R.S.N.S., 1989, c. 92, as amended, S.N.S. 2012, c.19, provides, among other matters, that the Nova Scotia Utility and Review Board (the "Board") shall fix the maximum cost of borrowing, or establish a rate, formula or tariff for determining the maximum cost of borrowing, that may be charged, required or accepted in respect of a payday loan;

AND WHEREAS the Board conducted this hearing to review its existing Order on payday loans made under s. 18T of the *Act* and issued February 3, 2011;

AND WHEREAS the Board issued an Order on October 29, 2014, setting out procedural directions and disclosure requirements with respect to this proceeding;

AND WHEREAS the Notice of Public Hearing was published in *The Chronicle Herald* and the *Cape Breton Post* on November 8, 2014 and January 10, 2015;

AND WHEREAS, further to s. 18T(8) of the *Consumer Protection Act*, the Board advised the Registrar of Credit about the hearing by letter dated November 19, 2014;

AND WHEREAS the Board held a hearing in this proceeding on February 10, 2015, and received written submissions from the parties on March 3, 10 and 11, 2015;

AND WHEREAS the Board issued its Decision on March 30, 2015;

IT IS HEREBY ORDERED THAT:

1. the maximum cost of borrowing is set at $22 per $100, inclusive of all expenses (including interest and other charges) which must be borne by a borrower in order to actually receive the cash requested (or the equivalent) immediately after it being determined by the lender that the borrower is so qualified;

2. with respect to any payday loan for an amount other than $100, the maximum cost of borrowing of $22 per $100 shall be applied *pro rata*;

3. there shall be no maximum amount in respect of any component of the cost of borrowing on a payday loan (apart from fixing the maximum interest rate chargeable at 60%), provided that the total cost of borrowing (including interest and other charges) does not exceed $22 per $100;

4. the next review of this Order shall be scheduled in three years from the date of this Order, unless otherwise ordered by the Board;

5. in all other respects, the Order of the Board issued February 3, 2011, remains in full force and effect; and

6. this Order shall take effect on May 1, 2015.

DATED at Halifax, Nova Scotia this 30th day of March, 2015.

Clerk of the Board